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|  <p>CITY OF ST. CHARLES ILLINOIS • 1834</p> | AGENDA ITEM EXECUTIVE SUMMARY | | Agenda Item number: 7a |
| | Title: | Recommendation to approve a Resolution Authorizing Approval of a Three-Year Agreement for Professional Auditing Services from Sikich, LLP | |
| | Presenter: | Bill Hannah, Director of Finance | |
| Meeting: Government Operations Committee | | Date: November 6, 2023 | |
| Proposed Cost: \$74,390 | | Budgeted Amount: To be budgeted next fiscal year | Not Budgeted: <input type="checkbox"/> |
| TIF District: None | | | |
| Executive Summary (if not budgeted, please explain): | | | |
| <p>The City of St. Charles is required by State law to annually issue a report on its financial position and activity. This is accomplished through the publication of an Annual Comprehensive Financial Report (ACFR) issued in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS). The City’s five-year agreement with Sikich, LLP to provide those auditing services concluded with the issuance of the April 30, 2023 financial reports.</p> <p>The City has been very satisfied with Sikich’s professional auditing services. They have adhered to all of the necessary timelines which enable the City to meet its reporting and filing deadlines on a timely basis. They have provided assistance to the City in implementing new Governmental Accounts Standards Board (GASB) pronouncements, and they have timely completed all of the work necessary to ensure that the City complies with its single audit requirements for federal grant expenditures. This has allowed the City to apply for and receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) on an annual basis.</p> <p>As a result of the high level of professional service delivered in the past, the City requested that Sikich submit a three-year proposal to provide auditing services for the fiscal years ending 2024, 2025 and 2026. Many factors go into the selection of professional services agreements, like auditing services, including the firm’s experience, knowledge and involvement in the industry, their ability to meet deadlines and the cost of providing those services. Many professional public accounting firms in the industry are experiencing rising costs for the recruitment and retention of accounting and auditing staff, and many firms are unable to meet their current workloads, despite an increase in fees. Despite these challenges, Sikich submitted a new three-year proposal and the pricing for fiscal year 2024 is 1.9% more than 2023, with 2.7% year over year increases for fiscal years 2025 and 2026. The total annual costs as outlined in their proposal is (2023 was \$73,000):</p> <p style="padding-left: 40px;">2024: \$74,390 2025: \$76,640 2026: \$78,940</p> | | | |

Based on the reasonable fee increases of Sikich's new proposal, and their demonstrated knowledge and expertise with local governments, staff recommends that the City accept the three-year proposal and enter into an agreement for three (3) one-year engagements for auditing services. Retainment of Sikich will also provide professional engagement stability as it is anticipated that the City Finance Department will likely undergo some staffing transitions over the next several years. Also, there are a number of new GASB pronouncements that need to be implemented in the upcoming years which our engagement team have the training and experience to assist with.

Attachments (please list):

Service Proposal for Professional Auditing Services from Sikich, LLP

Recommendation/Suggested Action (briefly explain):

A Resolution Authorizing Approval of a Three-Year Agreement for Professional Auditing Services from Sikich, LLP

**City of St. Charles, Illinois
Resolution No. _____**

**A Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to
Authorize Approval of a Three-Year Agreement for Professional Auditing
Services from Sikich, LLP**

**Presented & Passed by the
City Council on November 20, 2023**

BE IT RESOLVED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that the Mayor and City Clerk be and the same are hereby authorized to approve a three-year agreement for professional auditing services from Sikich, LLP.

Presented to the City Council of the City of St. Charles, Illinois this 20th day of November, 2023.

Passed by the City Council of the City of St. Charles, Illinois this 20th day of November, 2023.

Approved by the Mayor of the City of St. Charles, Illinois this 20th day of November, 2023.

Lora A. Vitek, Mayor

ATTEST: _____
City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Abstain: _____

Absent: _____

October 23, 2023



SERVICE PROPOSAL

PROFESSIONAL AUDITING SERVICES

PREPARED FOR:

CITY OF ST. CHARLES, ILLINOIS



CITY OF
ST. CHARLES

ILLINOIS • SINCE 1834

SUBMITTED BY:

Sikich LLP – Government Services
James R. Savio, CPA, MAS
Partner

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Naperville, IL 60563
630.566.8516
jim.savio@sikich.com

ACCOUNTING TECHNOLOGY ADVISORY

SIKICH.COM

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TRANSMITTAL LETTER

October 23, 2023

Mr. William Hannah
Director of Finance
City of St. Charles
2 E. Main Street
St. Charles, IL 60174

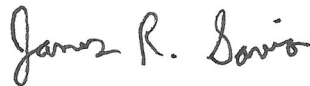
Dear Bill,

Sikich is pleased to be considered for reappointment as independent auditors for the City of St. Charles. We believe that our qualifications, experience and expertise are clearly distinguishable as indicated in the following proposal. The expertise we possess in the state and local government industry is demonstrated by our clients' successes, our staff's involvement in the industry and our leadership roles in various government associations. Our clients receive the quality and timeliness only available from a firm of our caliber.

We are prepared to commit the resources necessary to provide audit services to the City of St. Charles. We will not only perform the audit, but we will also provide governmental accounting and financial reporting expertise and technical assistance throughout the year. We understand the scope of the work to be performed and are committed to performing the specified services within the timeframe requested by the City.

We appreciate the opportunity to present this proposal, which is a firm and irrevocable offer for 60 days, and look forward to the possibility of continuing to service the City of St. Charles.

Sincerely,

Handwritten signature of James R. Savio in black ink.

James R. Savio, CPA, MAS
Partner

Handwritten signature of Nick Bava in black ink.

Nick Bava, CPA, MAS
Partner

EXECUTIVE SUMMARY

We know what's challenging to the City of St. Charles. Here are the strategies and solutions we recommend for you in order to face those challenges head-on and achieve success.

Thank you for considering Sikich. We appreciate the opportunity to propose for the City of St. Charles.

Sikich is one of the country's top 30 Certified Public Accounting firms and a top 10 value-added reseller of technology products, with more than 1,600 employees serving clients in all 50 states. Clients turn to us for their professional service needs due to our deep industry knowledge working with organizations of their size and for the caliber of service and attention we provide—especially when it comes to dedicated, experienced service teams and partner access.

DEFINING YOUR CURRENT CHALLENGES

We recognize this is a time of constant change and ever increasing accountability. The task of the City's finance office is no longer to report financial results by long-standing standards that are widely known and commonly understood. The task in today's environment is to keep up with the ever-changing standards from GASB and the Office of Management and Budget with the new Uniform Guidance. The task is also to keep up with new reporting and accountability requirements from the state, new automated processing systems, and fringe benefit tax laws.

DEFINING YOUR BEST POSSIBLE SOLUTIONS

These ever-changing standards and accountabilities require adjusting computer systems and internal processes to adapt to the changing standards and then to report in accordance with the new standards. This shift in the environment has caused a shift in the City's thinking about an audit firm. We understand that the City requires a year-round partner, who will assist the City in keeping up to date with the standards and provide assistance, when needed, on specialty topics, as well as someone who can audit to the standards. Sikich is on the leading edge of the standards as they are being developed. We also have a strong commitment to current and effective technology as our firm has a solid core of technological abilities supported by a full technology division.

DEFINING YOUR FUTURE SUCCESS

Additional details around our audit-specific capabilities are included in the next section of this document. These capabilities, in combination with our timely completion and issuance of your reports, will not only fulfill your current needs, but will undoubtedly drive stability for the City of St. Charles.

Throughout the following paragraphs, you will find summaries of each section within this proposal. We encourage you to review each section in its entirety to gain a detailed understanding of how we can help you build your bottom line and achieve success.

WHY THE CITY OF ST. CHARLES SHOULD SELECT SIKICH

Clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Specifically, Sikich offers the access to resources, decades of experience and passion for action necessary to face your challenges head-on with you.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

A crucial component to the City of St. Charles's success is working with a team completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. Your engagement team is made up of senior professionals who will provide the expertise, insights and responsiveness your organization requires.

SPECIFIC AUDIT APPROACH

Our approach is always holistic, forward-thinking and customized for the City of St. Charles's specific needs. We operate in a way that provides full attention to evaluating significant areas, including those that present the greatest risk and where new opportunities for financial and operational improvement may exist.

SCOPE OF SERVICES FOR THE CITY OF ST. CHARLES

The scope of our work for the City of St. Charles is outlined in the following proposal. We want to invest in what we hope will continue to be a long-lasting relationship with the City of St. Charles, which is why we commit to delivering the results the City of St. Charles requires. The timeline of the engagement on which we are proposing is outlined in this section.

We would be honored to continue to call the City of St. Charles our client and look forward to working with you.

TECHNICAL PROPOSAL

STATEMENT OF INDEPENDENCE

Sikich has evaluated its independence from the City of St. Charles and its component units in accordance with generally accepted auditing standards, the Governmental Auditing Standards, 2018 revision, published by the U.S. Government Accountability Office, and the AICPA Code of Professional Conduct. Based upon our evaluation, Sikich is free of any personal and external impairment with respect to the City of St. Charles and its component units, and is independent with respect to any non-attest services provided to the City of St. Charles and its component units, both in fact and in appearance to any knowledgeable third party.

LICENSE TO PRACTICE IN ILLINOIS

Sikich is a licensed Public Accountant Limited Liability Partnership in Illinois (license #066-003284). All of the partners assigned to the engagement are registered and licensed Certified Public Accountants (CPAs) in Illinois. In addition, all of the professional staff assigned to the engagement are full time staff and are either registered Certified Public Accountants or are completing the exam.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Sikich commits to providing a team of senior professionals, all of whom have unmatched expertise in the government industry.

A crucial component to the City of St. Charles's success is working with a team that is completely dedicated to the government industry, ensuring that those individuals understand your challenges and what it takes to realize success. The City of St. Charles will receive unparalleled levels of expertise, insights and responsiveness from a team of senior professionals who have significant experience working with government entities. Our firm offers several employee retention programs, including tuition reimbursement, CPA review and exam assistance, a computer purchase program, travel assistance and more. We have been named as a Best Place to Work for several years, both on a local and national level. We make every effort to recruit and retain quality staff. However, employee turnover is inevitable. In the event of staff turnover on the City of St. Charles engagement, we will seek the prior written approval of the City of St. Charles.

The City of St. Charles's key engagement team members will be supported by staff on the firm's government services team. Please refer to the Exhibits section on page 19 to read biographies of the City of St. Charles's engagement team.

JAMES R. SAVIO, CPA, MAS

ENGAGEMENT PARTNER

As engagement partner, Jim will be responsible for the overall management of the audit. This includes developing and coordinating the overall audit plan, the in-depth review of all workpapers and the review of the City of St. Charles's annual comprehensive financial report. Moreover, our firm's philosophy is to have the team leader on location during the completion of the majority of fieldwork. Therefore, Jim will be present at the City of St. Charles's offices during both our preliminary and final fieldwork.

NICK BAVA, CPA, MAS

RESOURCE PARTNER

The resource partner is responsible for providing overall technical support for the engagement as well as serving as a backup for the engagement partner.

TOM SIWICKI, CPA

QUALITY CONTROL DIRECTOR

The quality control director will provide a second review of the audit workpapers and the City of St. Charles's annual comprehensive financial report.

RAYMOND E. KROUSE, JR., CPA

QUALITY CONTROL PARTNER – SINGLE AUDIT AND UNIFORM GUIDANCE

The single audit quality control partner will provide a second review of the single audit workpapers and City of St. Charles's Single Audit report in accordance with the Uniform Guidance.

LAUREN ALLEN, CPA

AUDIT MANAGER

As the audit manager, Lauren will be another contact for anything related to the successful audit of your organization. Lauren will be responsible for leading the assurance team in the field and coordinating all assurance efforts.

ADDITIONAL PROFESSIONAL STAFF

Other professional staff assigned to the engagement will be full-time employees of the firm and have a minimum of one to three years of auditing experience. In addition, all professional staff assigned to government engagements meet and usually exceed the CPE requirements contained in the U.S. Government Accountability Office, Government Auditing Standards (2018). Moreover, our government staff possess a specific knowledge of local government accounting and reporting requirements and their application for local governments. This is achieved by attending at least 40 hours per year of a combination of external courses sponsored by the AICPA, ICPAS, GFOA and IGFOA, as well as internal courses.

This enables our firm to staff our governmental engagements with qualified professionals in the industry, providing valuable services to our governmental clients during the audit and throughout the year. We can assure you that our professional staff would not need any "on the job accounting or financial reporting training" by your staff. Moreover, we can assure the City of St. Charles the quality of staffing for a multi-year engagement, even if a change in personnel is required, subject to your approval.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Following is a list of significant engagements performed last year that are similar to the engagement proposed for the City of St. Charles.

| Name | Contact |
|---|---|
| City of Aurora* 44 E. Downer Place Aurora, IL 60505 | Mr. Christopher A. Minick Chief Financial Officer 630.256.3500 cminick@aurora.il.org |
| City of Elgin* 150 Dexter Court Elgin, IL 60120 | Ms. Debra Nawrocki Chief Financial Officer 847.931.5624 nawrocki_d@cityofelgin.org |
| City of Naperville* 400 South Eagle Street Naperville, Illinois 60540 | Ms. Rachel Mayer Director of Finance 630.420.4115 MayerR@naperville.il.us |

** These governments participate in GFOA's Certificate of Achievement for Excellence in Financial Reporting Program (we assisted 50 governments in receiving their first Certificate awarded). Sikich has more than 75 clients that have applied for and received the Certificate of Achievement for Excellence in Financial Reporting. In addition, Single Audits of Federal Expenditures were performed for the Cities above and many others.*

SPECIFIC AUDIT APPROACH

From identifying expectations to executing a plan to preparing for next year, our approach is holistic and always forward-thinking.

For the City of St. Charles, our approach satisfies a number of requirements, including high-quality service, access to senior resources and specialization in the government industry. We strongly believe Sikich is the firm that can offer you all of these and more.

We will tailor this engagement to the City of St. Charles’s specific needs—always with a view toward identifying new opportunities for financial and operational improvement. Procedures are designed to give full attention to evaluating significant areas, including those that present the greatest risk. Sikich’s holistic approach will address critical compliance and risk management needs.

Before embarking on this engagement, we will make certain to have a clear understanding of your mission and strategic direction. We do this by identifying and addressing risks and helping you ensure financial strength. We strongly believe there is no such thing as too much communication, not only during the engagement, but also throughout the year.



AUDIT STANDARDS

The objective of our audit is to issue an unmodified opinion on the City of St. Charles’s governmental activities, business-type activities, each major fund and the aggregate remaining fund information that collectively comprise the City of St. Charles’s basic financial statements. The audit will be conducted in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and, if necessary, generally accepted government auditing standards issued by the United States Government Accountability Office (GAO, 2018), the Single Audit Act of 1996 and the Uniform Guidance. Our firm will issue an opinion on the basic financial statements and will subject the combining and individual fund financial statements and schedules and any other supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole.

In addition, we will apply certain limited procedures to the Required Supplementary Information. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We will not audit the statistical or introductory sections of the annual comprehensive financial report and accordingly, will not express an opinion on the information contained in these sections.

Wherever possible, we will utilize your schedules to maximize efficiencies and contain audit costs. We request that the City of St. Charles provide us with the basic information required for our audit.

Sikich's audit approach includes, but is not limited to, the following procedures:

- Audit plan development
- Determination of materiality
- Audit risk evaluation
- Interviews with management to provide information for detailed documentation of the internal control structure
- Interviews and analysis of audit evidence to identify and assess risks that may result in material misstatement due to fraud
- Measurement of accounting presentation and compliance reporting by identifying and focusing on areas sensitive to organizations like the City of St. Charles
- Performance of testing to evaluate your organization's internal control structure
- Confirmation of various accounts, performance of substantive testing and analytical procedures
- Performance of additional testing, as necessary

PRACTICAL AND CONSTRUCTIVE MANAGEMENT LETTER COMMENTS

We believe the management letter is an important part of the engagement, and we encourage all members of our engagement team to give thoughtful consideration toward developing constructive comments within the constraints of the overall engagement. Our policies regarding management letters adhere to the Professional Standards of the AICPA. If significant deficiencies and material weaknesses in internal controls are noted during the audit, they are required to be communicated in writing to those charged with governance. Items of an immaterial nature (i.e., clerical problems, minor procedures or reporting problems, etc.) are communicated to management. In both cases, we adhere to a strict firm policy that all comments and recommendations are discussed in preliminary form with appropriate personnel prior to their communication. This allows for clarification of misunderstandings, miscommunication or compensating controls or factors which may be in place.

QUALITY CONTROL

At Sikich, we are committed to providing the highest quality audits in the industry. The City of St. Charles can be assured of receiving the highest level of quality and ethical professional services. Quality control is so important to us that our firm has been a member of the Private Companies Practice Section of the Division for CPA Firms of the AICPA since our formation in 1982. As such, we have voluntarily submitted our audit and accounting practice to quality control reviews of our compliance with professional standards as established by the AICPA and, more recently, by the United States Government Accountability Office, for more than 30 years. In 2020, we received our eleventh consecutive peer review unmodified ("pass") report. This is the highest level of recognition conferred upon a public accounting firm for its quality control systems. Also, we go beyond the external reviews and maintain strong internal reviews of procedures and processes with oversight by our Quality Assurance Committee and our Partner-in-Charge of Quality Assurance. Please refer to the Exhibits section for a copy of our most recent peer review which included a review of specific government engagements since this accounts for a significant segment of our practice.

In addition, our state and local government reports have been reviewed by numerous federal and state oversight bodies and professional organizations. These reports have been judged to meet and, in most instances, exceed industry standards and requirements. Sikich has not been the subject of any disciplinary action or inquiry during the past five years. Sikich is a member of the AICPA's Governmental Audit Quality Center (GAQC), which is a firm-based voluntary membership center designed to promote the importance of quality governmental audits and the value of these audits to purchasers of government audit services. As a member of the GAQC, Sikich has access to key information and comprehensive resources that we use to help ensure our compliance with appropriate professional standards and laws and regulations that affect our audits. Through our membership in the GAQC, we also adhere to membership requirements designed to enhance the quality of our audit practice.

WHY THE CITY OF ST. CHARLES SHOULD SELECT SIKICH

Our team works devotedly with governmental entities just like yours, has the resources required to perform this engagement and is technically experienced and insightful.

As previously mentioned, clients turn to us because our professionals are uniquely qualified to provide the service and industry expertise necessary to drive their organizational success. Your challenges are our challenges, and chances are, we have successfully faced them many times before. Aside from this, here are a number of reasons how the City of St. Charles can benefit from a relationship with Sikich.

ACCESS

With Sikich, you get access to a multitude of resources that will help your organization grow today and in the future.

ACCESS TO SENIOR RESOURCES

You will gain confidence in your operations by working with a team of articulate professionals who have received the highest recognitions in their fields. To demonstrate the importance of our relationship, we pledge to provide you with unparalleled involvement from our most senior resources. Our partners are on-site during audit fieldwork and are available year-round for direct consultation as issues occur.

ACCESS TO EDUCATION

The City of St. Charles will remain abreast of regulatory changes and best organizational practices as Sikich's team receives ongoing continuing education they will directly apply to the City of St. Charles's engagement. We accomplish this by anticipating your needs based on our experience with you and your industry, and using a variety of communication channels: timely responses to your questions; informal discussions; mailings on topics of interest to you; and relevant seminars, all of which are complimentary for our clients. Past topics of thought leadership have included:

- Governmental Accounting and Financial Reporting Update
- GASB Statement No. 84 Fiduciary Activities
- GASB Statement No. 87 Leases
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- The New GASB Reporting Model
- Accounting & Report for Cash and Investments
- Preparing a Management's Discussion and Analysis
- Capital Assets including Asset Retirement Obligations and Impairments
- Long-Term Debt and Leases
- Economic Condition Reporting
- Financial Reporting Entity
- Accounting for Insurance and Employee Benefits
- Payroll Reporting for Government Entities
- Year-End Payroll Updates
- Fraud and Internal Controls
- Fraud and Cybersecurity in the Remote Environment

ACCESS TO VALUE

Your organization will receive extraordinary value for Sikich's fee because we are dedicated to a customer-centric approach that includes open communication, respect and clear results. As a leader, the overall success of your organization should be the core of your focus. We're here to be your trusted advisor for those functions you can't focus on every moment, as well as for issues affecting the government industry, including new accounting pronouncements and employee benefit regulations. We understand that each client has its own unique set of needs, business practices and operating environment. Our services are tailored to the specific needs of your organization.

EXPERIENCE

Helping clients achieve long-term success is what we do. Our professionals will bring to your engagement the deep industry and service-level experience they have accumulated throughout the years.

EXPERIENCE IN YOUR INDUSTRY

Sikich's state and local government team provides services to more than 450 counties, cities, villages, towns and other local governments. Many of these have been long-standing clients and are evidence of our dedication to the state and local government industry and our ability to provide high quality, timely services within this specialized industry. These clients and related work have enabled our firm to develop an extensive nationally recognized expertise in governmental accounting, auditing and financial reporting procedures and practices.

Senior members of our government services team presently hold memberships and are actively involved in numerous governmental organizations, including:

- AICPA Government Audit Quality Center
- American Institute of Certified Public Accountants (AICPA)
- Central Association of College and University Business Officers (CACUBO)
- GFOA Special Review Committee (SRC)
- Government Finance Officers Association of Missouri (GFOA-MO)
- Government Finance Officers Association of the United States and Canada (GFOA)
- ICPAS Governmental Report Review Committees
- ICPAS Governmental Executive Committee
- IGFOA Technical Accounting Review Committee
- Illinois Association of County Board Members and Commissioners (IACBMC)
- Illinois Association of Fire Protection Districts (IAFPD)
- Illinois Association of Park Districts (IAPD)
- Illinois Association of School Business Officials (IASBO)
- Illinois City/County Management Association (ILCMA)
- Illinois County Treasurers' Association (ICTA)
- Illinois CPA Society (ICPAS)
- Illinois Government Finance Officers Association (IGFOA)
- Illinois Library Association (ILA)
- Illinois Municipal Treasurers Association (IMTA)
- Illinois Parks and Recreation Association (IPRA)
- Illinois Tax Increment Association (ITIA)
- International City/County Manager's Association (ICMA)
- National Association of College and University Business Officers (NACUBO)

EXPERIENCE IN WHAT WE DO

Your Sikich engagement team is comprised of senior CPAs who have been working in the field for years. Providing high-quality audit services is second nature to each of them, which is proven through our impressive track record of helping clients succeed. This team will provide the City of St. Charles with timely completion of professional services. Moreover, members of the Sikich government services team have served as expert speakers to organizations, state GFOAs and others for formal presentations at local meetings and annual conferences on a variety of governmental accounting, auditing and financial reporting topics. We have also developed governmental accounting, auditing and financial reporting training courses for various organizations with members of our firm serving as lead instructors for the courses.

EXPERIENCE IN GOVERNMENT OPERATIONS

Because of our large, diverse client base and our ability to attract talent from a variety of professional backgrounds, Sikich has an established reputation as one of the leading providers of professional services in the Midwest to governmental entities. Our team of professionals specializes in the management, operations and financing of general purpose state and local governments, park districts, intergovernmental organizations, municipal utilities and special districts. This focus and our exemplary reputation assure the City of St. Charles the highest quality work and the most cost-effective delivery of services.

INITIATIVE

One of our strengths at Sikich is our need to be proactive. We find potential issues before you have to worry about them, because we're ready with a solution.

INITIATIVE FOR CUSTOMIZED SOLUTIONS

One-on-one, you will receive customized solutions based on your unique needs, and only your unique needs. You will find that achieving financial stability and growth, as well as uncovering new opportunities to improve performance, is possible through the strategies that Sikich experts will recommend and on which they will educate you.

As part of our ongoing service and commitment to the City of St. Charles, we keep you abreast of regulatory changes and best business practices to ensure we identify crucial opportunities that will benefit the City of St. Charles.

INITIATIVE FOR YOUR SATISFACTION

The City of St. Charles's success is built upon the quality services and value you feel you receive from Sikich, which is why we will continually gauge your satisfaction to enhance our relationship. At various checkpoints during the engagement, a Sikich representative will meet with you to discuss how satisfied you have been with our services, our team and the value we provide. Areas stressed during these meetings will include:

- What can we do to make our services more valuable to you?
- What specific part of our service exceeded your expectations?
- In which areas do you feel we need improvement?
- Do you feel like a valued client of the firm?
- What is your vision for the City of St. Charles?

SCOPE OF SERVICES FOR THE CITY OF ST. CHARLES

We will exceed your expectations by conducting and delivering on a high-quality engagement within your required timeline—all for a reasonable fee.

We are proposing to provide the following services to the City of St. Charles as specified:

- Audit of basic financial statements of the City of St. Charles for the fiscal years ending April 30, 2024 – 2026;
- Preparation of twenty-five (25) bound copies and an electronic copy (.pdf) of the annual comprehensive financial report (report covers, dividers, introductory section, MD&A and certain statistical data to be provided by the City of St. Charles);
- Preparation of fifteen (15) bound copies and an electronic copy (.pdf) of the management letter for the City of St. Charles, communicating any material weaknesses and significant deficiencies found during the audit and our recommendations for improvement;
- Preparation of fifteen (15) bound copies and an electronic copy (.pdf) of the report on compliance with Public Act 85-1142 (TIF) for each TIF Fund;
- Preparation of fifteen (15) bound copies and an electronic copy (.pdf) of the Single Audit Report, if applicable;
- Preparation of Data Collection Form to be submitted to the Federal Audit Clearinghouse, if applicable
- Preparation of twenty (20) bound copies and an electronic copy (.pdf) of the annual financial report for the City of St. Charles Police and Firefighters' Pension Plans;
- Preparation of fifteen (15) bound copies and an electronic copy (.pdf) of the management letter for the City of St. Charles Police and Firefighters' Pension Plans, communicating any material weaknesses and significant deficiencies found during the audit and our recommendations for improvement;
- Preparation of ten (10) bound copies and an electronic copy (.pdf) of the report on compliance with Section 12 of the Series 2016 Sales Tax Revenue Bonds Ordinance relating to the Limited Incremental Sales Tax Fund and the requirements of the act;
- Preparation of fifteen (15) bound copies and an electronic copy (.pdf) of our in-relation-to opinion on the Consolidated Year End Financial Report, if applicable;
- Assistance in completing and filing the required application and supporting documents to apply for the Certificate of Achievement for Excellence in Financial Reporting;
- Retain workpapers for seven (7) years in accordance with firm standards;
- Reporting to the City Council in accordance with Statement on Auditing Standards (SAS) No. 114, Communications with Those Charged with Governance; and
- Exit conference(s) with the City of St. Charles Officials to present the completed audit and related materials.

CLIENT SERVICE TIMELINE

| EVENT | PERSON(S) ASSIGNED | TIMEFRAME | | | | | | | |
|--|--|-----------|-----|-----|-----|-----|-----|-----|-----|
| | | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT |
| <p>I. Preliminary Planning</p> <p>During this phase of the audit, we would meet with representatives of the City of St. Charles to discuss the approach we would take during the audit, focusing on areas of particular concern to the City of St. Charles as well as areas of high audit risk, and develop the time schedule for completing the subsequent phases of the audit.</p> | The meeting would be attended by the engagement partner and engagement manager. | | | | | | | | |
| <p>II. Preliminary Fieldwork</p> <p>During this phase of the audit, we would develop an understanding and documentation of the City of St. Charles's accounting and administrative controls using its accounting procedures manual, EDP documentation and by interviewing staff. In addition, we may perform compliance testing of those controls to determine which controls, if any, that we could rely on during later phases of the audit. Sample sizes would be determined during this phase, but generally would be between 25 and 60. Moreover, we would develop our planning materiality and complete a preliminary analytical review of the City of St. Charles's financial position as a whole.</p> <p>In addition, we would review all minutes from the meetings of the City Council and the Pension Boards; review all ordinances adopted by the City of St. Charles during the year; review any debt agreements entered into during the year and analyze any other unique transactions entered into by the City of St. Charles; and perform our fraud interviews in accordance with Statement on Auditing Standards (SAS) No. 99. Upon completion of this phase, we would finalize all necessary confirmations the City of St. Charles will prepare; review all proposed client assisted work papers and the timing of preparation by the City of St. Charles; develop our audit programs for the next phase of the audit and review and document any changes to the City of St. Charles's Annual comprehensive Financial Report; and prepare the schedule for the remainder of the audit.</p> | This phase would be completed by the engagement partner, engagement manager and one to two professional staff. | | | | | | | | |
| <p>III. Fieldwork</p> <p>During this phase of the audit, we would complete all of our substantive testing of the account balances and prepare the draft of the City of St. Charles's financial statements. We would also prepare the draft of the management report. In addition, an exit conference would be held with officials from the City of St. Charles to discuss the preliminary results of the fieldwork, review any proposed audit adjustments, final adjusted trial balances that agree to the financial statements and any significant findings.</p> | This phase would be completed by the engagement partner, engagement manager and one to two professional staff. | | | | | | | | |

| EVENT | PERSON(S) ASSIGNED | TIMEFRAME | | | | | | | |
|---|--|-----------|-----|-----|-----|-----|-----|-----|-----|
| | | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT |
| <p>IV. Workpaper Review and Report Production</p> <p>During this phase of the audit, the workpapers, drafts of all financial reports and the management letter will be reviewed by the resource partner and the quality control director. All workpapers are reviewed by the engagement partner during phase III to ensure that all necessary information is compiled during this phase to avoid imposing upon the City of St. Charles's staff after fieldwork has been completed.</p> | <p>This phase would be completed by the engagement partner, resource partner and the quality control director.</p> | | | | | | | | |
| <p>V. Drafts to the City of St. Charles</p> <p>We will deliver a preliminary draft of the Annual comprehensive Financial Report at the end of fieldwork. A revised draft will be delivered by the engagement partner and reviewed in-depth with representatives of the City of St. Charles within three weeks of the preliminary draft. A revised draft, if necessary, will be delivered to the City of St. Charles no later than three business days after receiving all proposed changes.</p> | <p>This phase would be completed by the engagement partner.</p> | | | | | | | | |
| <p>VI. Completion of the Audit</p> <p>Upon approval of the drafts by the City of St. Charles, we will present the signed, bound copies of the annual comprehensive financial report, the management letter and the additional reports described in this proposal. The engagement partner will be available for meetings with representatives of the City of St. Charles including the Mayor, the City Council and management for formal presentations of the reports.</p> | <p>This phase would be completed by the engagement partner.</p> | | | | | | | | |
| <p>VII. Support to the City of St. Charles</p> <p>Our firm does not believe that the engagement ends with the exit conference. We stress that we are available throughout the year to provide technical accounting and financial reporting assistance and support to the City of St. Charles. In addition, we constantly monitor recent events in the state and local government industry, including new pronouncements that may impact our government clients, and communicate the effect of any proposed changes throughout the year. Moreover, our letter of recommendations each year will alert the City of St. Charles to any new pronouncements that may become effective in the next one to three years, including the potential effect that the pronouncement may have on the financial position and/or changes in the financial position of the City of St. Charles.</p> | <p>This phase would be completed by the engagement partner.</p> | Ongoing | | | | | | | |

In future years, we would develop a similar plan and timeframe with the assistance of the City of St. Charles to ensure the timely identification and resolution of any critical accounting and auditing issues prior to the issuance of our opinion and the annual comprehensive financial report. These completion dates are well within the deadlines established by the City of St. Charles. We have a proven track record of meeting and exceeding deadlines established by our clients.

IDENTIFICATION OF POTENTIAL AUDIT PROBLEMS

Our firm's approach to resolving any problems that arise during the audit is the same as our overall approach to the audit—professionalism. Professionalism in performing the audit is the cornerstone to our philosophy during all phases of the audit. Any problems encountered during the audit, except for irregularities and illegal acts, will be discussed and documented with the Director of Finance. The timing of this discussion will provide the City of St. Charles with ample time to rectify any situations that may otherwise result in the issuance of a qualified audit opinion. Irregularities and illegal acts detected or of which we become aware of will be communicated in writing to the City Administrator or the appropriate level as defined in our professional standards.

Our firm's philosophy on additional fees and/or billings is based on an understanding between the firm and the client of the scope of the work to be performed. We have proposed a "not-to-exceed fee" for the audit, the scope and timing of which was specified by the City of St. Charles. The billings for the audit would not exceed this fee unless the City of St. Charles specifically requests that the scope of the engagement be expanded and the City of St. Charles and the firm reach a mutual agreement, in writing, as to the expanded scope of the engagement and the fee, if any, for the expanded scope.

Sikich will comply with all relevant rules and regulations of authoritative bodies and the AICPA Code of Professional Conduct regarding access to our working papers and audit documentation. Reasonable requests for access will not be denied.

ADDITIONAL RESOURCES AND SERVICES

With more than a dozen services, our areas of expertise are oftentimes complementary of one another. How else can we help you meet your government's goals?

Many times, the challenges for which you enlist Sikich's help may be faced more effectively by integrating several of our services. Take a look at what we offer, and talk to your engagement partner about how these services may complement what you are already seeking.

DISPUTE ADVISORY

Disputes of any kind or size can be difficult to handle on your own. For example, what would happen if you began suspecting employee fraud within your organization? A dispute advisory expert can handle every aspect, from insurance claim preparation and being the liaison with law authorities, to creating a fraud prevention program and improving your organization's internal controls.

HUMAN RESOURCES

Your people are a large part of what makes up your organization. Recruiting, training and retaining employees are vital parts of ensuring your organization continues to provide only the best for your constituency. With services such as recruiting and onboarding, compensation and compliance, employee benefits and more, you can better understand what will keep your employees happy and productive.

MARKETING

The effectiveness of your marketing efforts can make or break your organization's success. From eye-catching logos to print and digital collateral, every piece must work for an intended audience. By delivering the right stories and amplifying those messages, you will properly position your organization in the marketplace.

PUBLIC RELATIONS

Achieve a higher media profile, greater mindshare among your constituents and proper positioning in the marketplace with a thoughtful, research-based and integrated approach to public relations. From overall positioning to media relations, conveying the right stories to the right people is critical in an effective public relations program.

TECHNOLOGY: IT SERVICES

Staying ahead of, or even simply keeping up with, continually changing and complex technology developments can be challenging. Organizational management software, cloud solutions, strategic information technology and IT consulting can all drive your organization toward increased productivity—if implemented the right way.

TECHNOLOGY: SECURITY AND COMPLIANCE

Keeping your organization safe from data breaches and other information security concerns is critical, especially given the vast number of organizations that have been compromised in the last couple of years. Understand where the vulnerabilities in your network lie by obtaining independent, unbiased and technically qualified security assessments—from penetration testing to forensic analyses.

FEE PROPOSAL

PROPOSAL COST SUMMARY

| | Fiscal Year Ending April 30, | | |
|--|------------------------------|------------------|------------------|
| | 2024 | 2025 | 2026 |
| Annual Audit and Financial Statements | \$ 58,200 | \$ 59,950 | \$ 61,750 |
| Police Pension Plan Annual Financial Report | 3,500 | 3,610 | 3,720 |
| Firefighters' Pension Plan Annual Financial Report | 3,500 | 3,610 | 3,720 |
| SUBTOTAL | 65,200 | 67,170 | 69,190 |
| TIF Compliance Examinations* | 5,580 | 5,750 | 5,920 |
| Single Audit | 3,610 | 3,720 | 3,830 |
| TOTAL | \$ 74,390 | \$ 76,640 | \$ 78,940 |

*Assumption of six TIF examination opinions (\$930 for each TIF).

These fees assume that the City of St. Charles will provide the auditors with electronic copies of adjusted trial balances by individual funds, a year-to-date general ledger with details of postings to all accounts, subsidiary ledgers that agree or are reconciled to the general ledger, and will prepare certain schedules of account analysis and confirmations of account balances.

If a single audit is not required but an audit performed in accordance with *Government Auditing Standards* is required in accordance with the Illinois Grant Accountability and Transparency Act, the fee would be \$1,800.

We invoice our clients on a monthly basis as services are provided. Payments for all services are due within 60 days of receipt of an invoice. Invoices not paid within 60 days are assessed a finance charge of 1 percent per month (12 percent annually).

EXHIBITS

We know you likely have many more questions for us. Take a look at the attached documents for additional information about our firm and those who will work with you.

ENGAGEMENT TEAM BIOGRAPHIES

- James R. Savio, CPA, MAS
- Nick Bava, CPA, MAS
- Tom Siwicki, CPA
- Raymond E. Krouse, Jr., CPA
- Lauren Allen, CPA

SIKICH RESOURCES

STATE & LOCAL GOVERNMENT SERVICES

FIRM PROFILE

PEER REVIEW

JAMES R. SAVIO

CPA, MAS

Partner

James R. Savio, CPA, MAS, is responsible for providing technical services to Sikich's governmental clients in all areas of governmental accounting, auditing, financial reporting, revenue and expenditure forecasting and cash and debt management. Jim has participated in hundreds of audits of municipalities and other governmental units since he began his career with Sikich in 1995. He has also been responsible in developing and serving as lead instructor for governmental accounting, auditing, financial reporting and cash management courses both internally and externally. Jim serves on the Illinois Government Finance Officers Association's Technical Accounting Review Committee and the Illinois CPA Society Governmental Executive Committee. Jim also serves as a committee member for Sikich's mentoring program and assists in the development and implementation of Sikich's new hire training program.

SERVICE AREAS

- Governmental Audit, Accounting
- Governmental Financial Reporting

AFFILIATIONS

- American Institute of Certified Public Accountants
- Illinois CPA Society, Governmental Executive Committee
- Illinois Government Finance Officers Association
Technical Accounting Review Committee
- Greater Aurora Chamber of Commerce Leadership Academy,
Class of 1998

EDUCATION

- Master of Accounting Sciences, Northern Illinois University
- Bachelor's Degree in Accounting, Northern Illinois University



LOCATION: NAPERVILLE OFFICE

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jim.savio@sikich.com

NICK BAVA

CPA, MAS

Partner

Nick Bava, CPA, MAS, is an audit partner at Sikich, where he provides assurance and advisory services to a variety of governmental entities, with a focus on cities, villages, and park districts. He also works with not-for-profit entities including community colleges. He is responsible for providing technical services to Sikich's government clients in all areas of governmental accounting, auditing, financial reporting, budget development, internal controls, revenue and expenditure forecasting, and cash and debt management. Acting as the liaison between the client and engagement team, Nick conducts audit engagements, prepares and reviews financial statements, and assesses clients' business processes.

SERVICE AREAS

- Governmental Audit, Accounting
- Governmental Financial Reporting
- Not-for-Profit Audit, Accounting

AFFILIATIONS

- Illinois Government Finance Officers Association, Conference Planning Committee
- Illinois CPA Society
- Government Finance Officers Association
- Metro West Council of Government
- Illinois City/County Management Association

EDUCATION

- Bachelor's Degree in Accounting, Illinois State University
- Master of Accounting Sciences, Northern Illinois University



LOCATION:

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nick.bava@sikich.com

THOMAS G. SIWICKI

CPA

Audit Director

Thomas G. Siwicki, CPA, is an audit director at Sikich and has experience working in the public accounting industry since 2009. He provides assurance services and recommendations for improvements to local government and manufacturing and distribution clients. Tom is also responsible for managing the execution of audit engagements and supervising the audit team.

SERVICE AREAS

- Assurance and Advisory Services
- Governmental Audit, Accounting
- Governmental Financial Reporting
- Manufacturing and Distribution Services

AFFILIATIONS

- Illinois Government Finance Officers Association
- Illinois CPA Society

EDUCATION

- Bachelor of Science in Accountancy, Illinois State University
- Master of Professional Accountancy, Illinois State University



LOCATION:

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RAYMOND E. KROUSE, JR.

CPA

Partner, Not-for-Profit and Higher Education Practices

Raymond E. Krouse, Jr., CPA, is a partner on Sikich's not-for-profit and higher education practices team. Ray has more than 25 years of public accounting experience. He has extensive experience in providing audit and consulting services to a wide variety of not-for-profit clients, including colleges and universities, voluntary health and welfare organizations, fraternal and other member organizations and private foundations. In addition, Ray specializes in the areas of Uniform Guidance and Student Financial Aid testing. He has significant experience with the Student Financial Aid requirements and serves as a technical resource for all college and university audits.

SERVICE AREAS

- Not-for-Profit Audit, Accounting

AFFILIATIONS

- American Institute of Certified Public Accountants (AICPA)
 - AICPA Not-for-Profit Section, Member
 - AICPA Not-for-Profit Certificate Program, Awarded Certificate
- Illinois CPA Society
- Associated Colleges of Illinois, Board Member
- National Association of College and University Business Officers
- Central Association of College and University Business Officers
- Naperville Area Chamber of Commerce, Board Treasurer
- Friends of Child Advocacy, Past Treasurer

EDUCATION

- Bachelor's Degree in Accounting, Clarion University of Pennsylvania



LOCATION:

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LAUREN ALLEN

CPA

Audit Manager

Lauren Allen, CPA, is an audit manager with in-depth experience providing assurance and advisory services. Lauren focuses on serving government clients, such as cities, villages, and townships. Her areas of expertise include audit services and financial reporting.

SERVICE AREAS

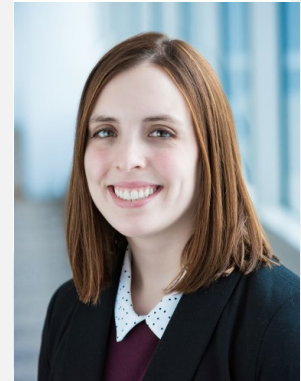
- Assurance & Advisory Services
- Audit & Financial Reporting Services
- Government

AFFILIATIONS

- Illinois CPA Society

EDUCATION

- Bachelor's Degree in Accounting, North Central College
- Associate's Degree in Business, Waubensee Community College



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STATE AND LOCAL GOVERNMENT SERVICES

Government agencies experience increasing pressure to be more effective, efficient and transparent.

As a government leader, you know how important it is to find a professional services partner that can strategize, plan and implement solutions to meet the goals of your organization.

SERVICES SIKICH PROVIDES:

- Accounting, Audit, Assurance & Tax
- Business Valuation
- Fraud Services for Governments
- ERP & CRM Software
- Human Capital Management & Payroll
- Insurance Services
- IT Services
- Marketing & Communications
- Pension Fund Accounting & Consulting Services
- Retirement Planning

Whether you represent a general purpose local government or special district, Sikich will help you meet your goals by providing professional guidance in your accounting, marketing, human resources, technology and other advisory functions.

Experience unparalleled commitment and high-quality, timely services when you partner with the experts at Sikich. For more than 30 years, we have provided:

- A highly skilled staff and management team entirely dedicated to government services
- An in-depth understanding of the governmental fiscal, management, operating and regulatory environments
- Timely and cost-effective service delivery

WHO WE SERVE:

Our government clients represent a wide range of industry sectors including:

- Counties
- Cities
- Villages
- Townships
- Other Special Districts
- Pension Plans
- Park Districts
- Forest Preserve Districts
- Public Libraries
- Community Colleges
- School Districts
- Water Authorities
- Water Reclamation Districts
- State Departments & Agencies

TEAM LEADER



ANTHONY CERVINI
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PARTNER-IN-CHARGE

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WHY SELECT SIKICH?

Our team works devotedly with units of local government like yours to provide the resources required to help you focus on managing your organization, while we take care of everything behind-the-scenes.



STATE AND LOCAL GOVERNMENT SERVICES

OUR EXPERTS



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ABOUT SIKICH

Sikich LLP is a global company specializing in technology-enabled professional services. Now with more than 1,500 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.



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INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

| | | |
|-----------------------------|-----------------------|----------------------------|
| AGRICULTURE | AUTOMOTIVE | CONSTRUCTION & REAL ESTATE |
| DISTRIBUTION & SUPPLY CHAIN | GOVERNMENT | HIGH-TECH |
| LIFE SCIENCES | MANUFACTURING | NOT-FOR-PROFIT |
| PRIVATE EQUITY | PROFESSIONAL SERVICES | |

SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Outsourced Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

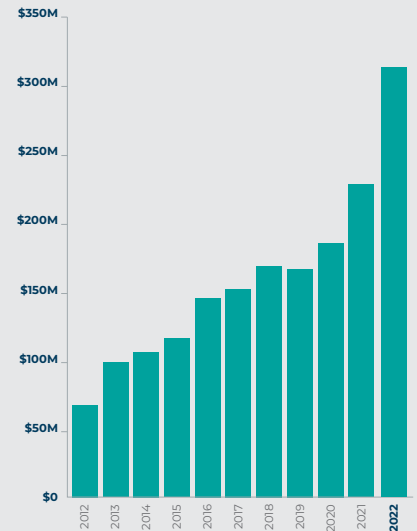
ADVISORY

- Forensic & Valuation Services
- Governance, Risk & Compliance Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Site Selection & Business Incentives
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management**
- Workforce Risk Management

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.
 ** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.

WHO WE ARE

TOTAL PARTNERS100+
 TOTAL PERSONNEL1,600+
 2022 REVENUE\$316.4M



OFFICE LOCATIONS

| | |
|-------------------------|------------------------|
| Ahmedabad, GJ | Sacramento, CA |
| Akron, OH | 925.577.5144 |
| 330.864.6661 | Milwaukee, WI |
| Alexandria, VA | 262.754.9400 |
| 703.836.1350 | Naperville, IL |
| 703.836.6701 | 630.566.8400 |
| Bangalore, KA | Peoria, IL |
| Boston, MA | 309.694.4251 |
| 508.485.5588 | Princeton, NJ |
| Chattanooga, TN | 609.285.5000 |
| 423.954.3007 | Springfield, IL |
| Chicago, IL | 217.793.3363 |
| 312.648.6666 | St. Louis, MO |
| Decatur, IL | 314.275.7277 |
| 217.423.6000 | Washington, MO |
| Indianapolis, IN | 636.239.4785 |
| 317.842.4466 | |
| Los Angeles, CA | |
| 877.279.1900 | |

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Bias for Action, Continuous Innovation and Servant Leadership. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.



CERTIFICATIONS & AWARDS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the **American Institute of Certified Public Accountants' Governmental Audit Quality Center** and the **Employee Benefit Plan Audit Quality Center**.

We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. **In 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report**, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the **Accounting Today Top 100 Firms list**.



Sikich is among the **50 firms that place on Inside Public Accounting's 2023 Best of the Best Firms**, an exclusive list that ranks organizations on key areas of management, growth and strategic vision.



Sikich is a **Microsoft Dynamics' 2023/2024 Inner Circle** award recipient, a recognition that places Sikich in the **top 1% of all Microsoft Business Applications partners globally**.



We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.



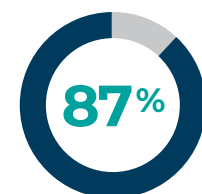
Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S.**, **CRN's Top 500 Managed Service Providers**, **CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501**.



NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.

This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.



Report on the Firm's System of Quality Report

August 31, 2020

To the Partners of Sikich LLP
and the Peer Review Committee of the Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Sikich LLP (the firm) in effect for the year ended March 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at <http://www.aicpa.org/prsummary>. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

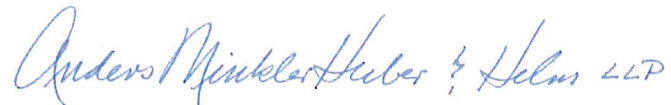
Required Selections and Considerations

Engagements selected for review included (engagements performed under *Government Audit Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, and examinations of service organizations [SOC 1 and SOC 2 engagements]).

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sikich LLP in effect for the year ended March 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Sikich LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Anders Minkler Huber & Helm LLP". The signature is written in a cursive, flowing style.

ANDERS MINKLER HUBER & HELM LLP
Certified Public Accountants